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PUBLIC UTILITIES  
COMMISSION

2007 SEP 28 P 3:34

FILED

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
MAUI ELECTRIC COMPANY, LIMITED )  
For Approval of Rate Increases and Revised )  
Rate Schedules. )

DOCKET NO. 2006-0387

**DIVISION OF CONSUMER ADVOCACY'S**  
**SIXTH SUBMISSION OF INFORMATION REQUESTS**

Pursuant to the Revised Procedural Schedule approved in Order No. 23496, as amended by Commission letter dated August 24, 2007 for the instant proceeding, the Division of Consumer Advocacy submits its **SIXTH SUBMISSION OF INFORMATION REQUESTS** in the above docketed matter.

DATED: Honolulu, Hawaii, September 28, 2007.

Respectfully submitted,

By Cheryl S. Kikuta  
CHERYL S. KIKUTA  
Utilities Administrator  
DIVISION OF CONSUMER ADVOCACY

**DOCKET NO. 2006-0387**

**MAUI ELECTRIC COMPANY, LIMITED**

**SIXTH SUBMISSION OF INFORMATION REQUESTS**

**INSTRUCTIONS**

In order to expedite and facilitate the Consumer Advocate's review and analysis in the above matter, the following is requested:

1. For each response, the Company should identify the person who is responsible for preparing the response as well as the witness who will be responsible for sponsoring the response should there be an evidentiary hearing;
2. Unless otherwise specifically requested, for applicable schedules or workpapers, the Company should provide hard copies of each schedule or workpaper together with one copy of each such schedule or workpaper on electronic media in a mutually agreeable format (e.g., Excel and Quattro Pro, to name two examples); and
3. When an information request makes reference to specific documentation used by the Company to support its response, it is not intended that the response be limited to just the specific document referenced in the request. The response should include any non-privileged memoranda, internal or external studies, assumptions, Company instructions, or any other relevant authoritative source which the Company used.
4. Should the Company claim that any information is not discoverable for any reason:
  - a. State all claimed privileges and objections to disclosure;

- b. State all facts and reasons supporting each claimed privilege and objection;
- c. State under what conditions the Company is willing to permit disclosure to the Consumer Advocate (e.g., protective agreement, review at business offices, etc.); and
- d. If the Company claims that a written document or electronic file is not discoverable, besides complying with subparagraphs 4(a-c), identify each document or electronic file, or portions thereof, that the Company claims are privileged or will not be disclosed, including the title or subject matter, the date, the author(s) and the addressee(s).

**DOCKET NO. 2006-0387**

**MAUI ELECTRIC COMPANY, LIMITED**

**SIXTH SUBMISSION OF INFORMATION REQUESTS**

**General Information Requests.**

CA-IR-389

**Ref: MECO response to CA-IR-272 (Legislative/Government Relations).**

The referenced response provides the test year forecast (\$25,194 labor & non-labor) for maintaining relationships with legislators, legislative staffs and other government agencies (DOE, EPA, DOH, SEC, Maritime Administration, PUC and DCCA). Please provide the following information:

- a. Please provide a breakdown of the \$21,542 of non-labor costs included in the 2007 test year forecast between maintaining relationships with legislators and legislative staffs from other government agencies.
- b. If the information requested in part (a) above is not available for the 2007 forecast amount, please provide such breakdown for calendar years 2004, 2005 and 2006.
- c. Does MECO record any labor or non-labor costs incurred to maintain relationships with legislators and legislative staffs to below-the-line expense accounts?
  1. If not, why not?

2. If yes, please provide the amount so allocated in 2004, 2005 and 2006, as well as the 2007 test year forecast.
- d. Does MECO consider any of the costs to maintain relationships with legislators and legislative staffs that are included in the 2007 test year forecast as representing efforts to lobby or influence the opinion on legislators or their staffs? Please explain.

CA-IR-390

**Ref: Test Year Inter-island Air Fares.**

Please provide the following information:

- a. Explain MECO's efforts to take advantage of increased competition among inter-island air carriers, indicating any contractual arrangements or bulk purchase processes employed.
- b. Test year estimated numbers of inter-island air trips and related expenses by RA and NARUC expense block.
- c. Approximate adjustment required to the Company's filing, by RA and NARUC expense block, in order to recognize and account for increased competition among inter-island air carriers and the resulting reduction in market pricing of inter-island transportation.

**Witness T-2 Ms. Ide.**

CA-IR-391

**Ref: Responses to CA-IR-40, Attachment 19; CA-IR-202, part c (Hotel Closures/Load Changes).**

Please provide the following:

- a. Updated CA-IR-40 Attachment 19 pages 1 through 4 Schedule P segment sales data, substituting 2006 actual data for forecasted information and adding a column for year-to-date August 2007 actual data.
- b. Explanation of each individually significant fluctuation in August 2007 year-to-date Schedule P actual sales, relative to the rate case forecast sales volumes.
- c. Monthly Ritz Carlton sales data for all available months of 2007, indicating current status and plans for renovation.
- d. Monthly Renaissance sales data for all available months of 2007, indicating current status and plans for renovation.

CA-IR-392

**Ref: Response to CA-IR-200, Confidential Attachment 14, page 9 (Maui Division New Large Load).**

Please provide the following:

- a. For each of the accounts described as "New Large Load" on slide 17, please provide actual monthly sales to-date.
- b. For each account included in your response to part (a) of this information request, please provide the approximate amount of MWH sales included in the test year sales projections.

- c. Given your response to parts (a) and (b) of this information request, identify and quantify all adjustments required to update new large load projections for current available information (as appropriate).

CA-IR-393

**Ref: MECO Response to CA-IR-200, Confidential Attachment 14, page 10 (Load and Rainfall Graph).**

Please provide the following:

- a. Update slide 19 to incorporate data for all available months of 2007 to-date.
- b. Provide copies of the underlying monthly data in support of your response to part (a) of this information request.
- c. Explain whether 2007 actual BWH sales are believed to be abnormal and include all studies, reports, analyses workpapers and other data supportive of your response.

**Witness T-4 Mr. Sakuda.**

CA-IR-394            **Ref: MECO-406, lines 19, 20 and 21.**

MECO-406, lines 19, 20 and 21 indicate sales heat rates of 0.015310 Mbtu/kWh sales, 0.009460 Mbtu/kWh sales and 0.012005 Mbtu/kWh sales for IFO, Diesel and Diesel (Hana), respectively. Please explain how the sales heat rates shown on lines 19, 20 and 21 were calculated and provide copies of supporting workpapers or other sources from which this factor was derived.

CA-IR-395            **Ref: MECO-409, page 1, line 1 and line 3.**

MECO-409, page 1, line 1 indicates that the industrial fuel oil average inventory for the test year is 53,248 barrels. MECO-409, page 1, line 3 indicates that the industrial fuel oil average number of days of supply for the test year is 37 days.

- a. Does the industrial fuel oil average inventory for the test year in line 1 include dead storage?
- b. Please explain your answer to part (a) of this information request.
- c. Please explain how the industrial fuel oil average number of days of supply for the test year was calculated in line 3.



CA-IR-396

**Ref: MECO-WP-404, page 1 and MECO-WP-507a.**

MECO-WP-404, page 1 indicates that the annual production simulation results for energy purchased from HC&S for the test year was 90,427 MWh. MECO-WP-507a indicates the annual energy purchased from HC&S for the test year was 90,415,000 KWh. Please explain why the test year energy from the production simulation model is different from the energy levels used to calculate purchase power expense?

CA-IR-397

**Ref: MECO-WP-404, page 13.**

MECO-WP-404, page 13, indicates Nitrogen Oxide (NO<sub>x</sub>), Sulfur Dioxide (SO<sub>2</sub>), Carbon Dioxide (CO<sub>2</sub>) and reactive organic gases (ROG) Cost (\$/lb) for Kahului and Maalaea.

a. What emission rates (lb/Mbtu) were used for the following:

1. NO<sub>x</sub>.
2. SO<sub>2</sub>.
3. CO<sub>2</sub>.
4. ROG.

b. How were emission rates used in the production simulation model?

CA-IR-398

**Ref: MECO-WP-404, page 1 and MECO-WP-507a.**

MECO-WP-404, page 1 indicates that the annual production simulation results for energy purchased from Kaheawa for the test year was 122,912 MWh. MECO-WP-507a indicates the annual energy purchased from Kaheawa for the test year was 122,882,000 KWh. Please explain why the test year energy from the production simulation model is different from the energy levels used to calculate purchase power expense?

CA-IR-399

**Ref: MECO-WP-507a, page 1 and page 2.**

MECO-WP-507a, page 1 indicates annual on peak and off peak energy purchased from Kaheawa for the test year was 67,546,000 kWh and 55,336,000 kWh, respectively. MECO-WP-507a, page 2 indicates annual on peak and off peak energy purchased from Kaheawa for the test year was 67,548,000 kWh and 55,335,000 kWh, respectively. Please explain why the Kaheawa annual on peak and off peak energy is different between page 1 and page 2 of MECO-WP-507a, and which source of information should be used to calculate purchase power costs.

**Witness T-5 Mr. Ribao.**

CA-IR-400

**Ref: Response to CA-IR-327 (Emission Fees).**

Please provide the following:

- a. Explain the reasons why the KPP plant gallons are so much higher in this response than the gallons used in the previous estimate (provided in response to CA-IR-104, page 2).
- b. Confirm that HECO used the year 2006 estimated DoH fee rate of 55.15 \$/Ton, increased by a contingency allowance of 5 percent and reduced by a factor of 10/13 to account for historical fee waiver experience.
- c. If anything but an unqualified confirmation is provided in your response to part (b) of this information request, please provide copies of documents and citations supportive of any corrections that are needed to the assertion in part (b).

CA-IR-401

**Ref: MECO Response to CA-IR-83, Attachment 1 (Production O&M Spreadsheet).**

Please provide an updated Attachment 1 in Excel electronic format adding monthly 2007 actual data for all available months of 2007 to-date.

**Ref: Response to CA-IR-2; MECO T-5, Attachment A  
(ICB Basis, EE=550 Line Items).**

Please provide the following:

- a. A breakdown of projected test year expense line items on a monthly basis.
- b. A schedule of recorded actual monthly 2007 ICB expenses charged to MECO Production O&M Accounts, for all available months of 2007, in a format comparable to the response to part (a) of this information request.
- c. An explanation of the reasons for each individually significant variance between projected (part a) versus actual (part b) monthly ICB production O&M expenses and actual expenses.

**Witness T-6 Mr. Herrera.**

CA-IR-403

**Ref: MECO response to CA-IR-112 (Staffing).**

MECO has provided periodic updates to supply actual employee headcounts by month in 2007 for all departments, not just T&D. Referring to the update through August 2007, Note 1 on Attachment A indicates that the employee count "includes Company temps but excludes agency temps." Please provide the following:

- a. Please explain the distinction between "Company temps" and "agency temps."
- b. In a format similar to Attachment A, please provide the number of "Company temps" by month by RA.
- c. Referring to part (b) above, please identify the "Company temp" positions that MECO ultimately plans on filling with full time positions.
- d. Please provide the number of "Company temps" included in MECO's employee count forecast by month by RA, if available.

CA-IR-404

**Ref: MECO response to CA-IR-338 (T&D Outside Services).**

Referring to confidential Attachment 1, it appears that an annual prorate of the actual outside services costs (i.e., through the most recent available month) indicates that actual costs are significantly

under-running the 2007 test year forecast for both vegetation and other outside services. Please provide the following:

- a. Please confirm the impression that actual 2007 outside services for T&D are significantly under-running the 2007 test year forecast. If this cannot be confirmed, please explain.
- b. Please identify and describe the primary factors (and related amounts) contributing to the favorable forecast variance (i.e., 2007 actual less than 2007 test year forecast) for each of the following categories of T&D outside services:
  1. Vegetation.
  2. Outside Services Other.
- c. Does MECO have current plans to ramp up expenditures for T&D outside services in the remaining months of 2007 so as to achieve the 2007 forecast levels by year-end? Please explain.
- d. During 2007, was MECO under any directive or other conditions that constrained the Company's ability to spend the forecast funds on T&D outside services? Please explain.

CA-IR-405

**Ref: MECO response to CA-IR-338 (T&D Outside Services).**

In response to part (d) of CA-IR-338, MECO provided actual outside services data by month in 2007, but designated the

information for the months of July and August as "confidential until it is publicly disclosed in HECO's Form 10-Q financial statements or when the Consumer Advocate submits its testimony in this proceeding, which is scheduled for October 25, 2007." Please provide the following clarifications regarding the confidential nature of this information:

- a. If the Consumer Advocate desires to include the 2007 monthly outside services information depicted on Attachment 1 in its direct testimony, does the Consumer Advocate need to treat the data for the months of July and August 2007 as confidential? Please clarify.
- b. If the Consumer Advocate desires to include in its direct testimony the 2007 year-to-date outside services information depicted on Attachment 1 through August 2007, does the Consumer Advocate need to treat the cumulative data depicting the sum of all 2007 months as confidential? Please clarify.

CA-IR-406

**Ref: MECO responses to CA-IR-124 & CA-IR-236 (T&D Labor).**

Referring to CA-IR-124, Attachment 1, the response to CA-IR-236 indicated that certain Engineering RAs (MWA, MWL, MWS and part of MWP) included uncompensated overtime hours due to merit overtime. Please provide the following:

- a. Please confirm that all overtime hours for Engineering RAs MWA, MWL and MWS in calendar years 2004-2006 also represent uncompensated merit overtime. If this cannot be confirmed, please explain and provide the correct uncompensated overtime hours.
- b. With regard to Engineering RA: MWP, please provide the number of non-compensated merit overtime hours in calendar years 2004-2006.
- c. With regard to the T&D overtime hours on Attachment 1, please identify each RA for which 100% of the identified overtime hours represent non-compensated merit overtime.
- d. Referring to part (c) above, please identify the overtime hours in each remaining T&D RA (for each historical year and the 2007 forecast) that represent non-compensated merit overtime, similar to the 2,202 of non-compensated merit labor overtime for Engineering RA: MWP.

CA-IR-407

**Ref: MECO response to CA-IR-288 (T&D Labor Requirements).**

Referring to Attachment A of the response to CA-IR-288, MECO employed a coding method to identify the "budgeting method" used to develop the 2007 forecast labor hours by RA and Activity. All but one of the RA/Activities with forecast labor hours of 1,000, or more,



are coded "A," which is an "Average" method. Please provide the following:

- a. Please clarify how an averaging technique was used in developing these forecast labor hours.
- b. For some RAs, the seven year average of historical labor hours is higher than the 2007 forecast hours, while it is lower for other RAs – even though no other forecasting technique is identified. Please explain.

**Witness T-7 Ms. Suzuki.**

CA-IR-408

**Ref: MECO Response to CA-IR-145 Attachments A and B (Customer Service Performance Measures).**

Please provide the following:

- a. Updated Attachment A and B documents for all available months of 2007.
- b. Describe areas of progress and performance deterioration, relative to goals established by MECO, indicating recent actions taken by management to improve performance and address any performance issues of concern.

CA-IR-409

**Ref: MECO Response to CA-IR-2, Attachment B, Page 51; Response to CA-IR-246 (HECO allocated Postage, Payment Processing, Trouble Mail and Forms – MECO Customer Accounting Support).**

Please provide the following:

- a. Actual monthly charges from HECO for each line item charge set forth on page 51, for all available months of 2007 to-date.
- b. Explain each significant variance between projected test year versus actual costs, based upon your response to part (a) of this information request.

**Ref: MECO Responses to CA-IR-148, Attachment B; CA-IR-247  
(Customer Service Labor Hours – Temporary Services).**

Please provide the following:

- a. Monthly actual 2007 Productive Hours and Overtime Hours by RA, for all available months of 2007, for comparison to the information provided in CA-IR-148, Attachment B.
- b. A monthly breakdown of the test year projected 2007 Productive Hours and Overtime Hours by RA, as shown in CA-IR-148, Attachment B.
- c. Explain the reasons for each significant difference between monthly actual versus projected hours in each RA, using the information in your responses to parts (a) and (b) of this information request.
- d. Provide a monthly breakdown of temporary service agency charges incurred within RA MCA, MCF, MCM, MCN, MCR and MCZ in 2007 to-date, indicating the work requirements leading to the need for such temporary services.
- e. Identify the amounts in your response to part (d) of this information request that were not included within test year projected O&M expenses.

**Witness T-8 Ms. Suzuki.**

CA-IR-411

**Ref: MECO T-8, page 28 (IRP Non-Labor Normalization).**

According to the testimony, "The Company's methodology for deriving the normalization amount is reasonable because it is consistent with Decision and Order No. 18365. In Decision and Order No. 18365, the IRP costs to be included in base rates were derived in that case using an average of three (3) years (1997-1999). This methodology is also consistent with that used in HECO's test year 2005 rate case proposal in Docket No. 04-0113, (See HECO T-10, page 66) and the Commission granted in its Interim Decision and Order No. 22050." Please provide the following:

- a. Provide copies of the source documents and calculations used to determine the IRP costs to be included in base rates in Decision and Order No. 18365.
- b. Provide copies of the source documents and calculations used to determine the IRP costs to be included in base rates in Decision and Order No. 22050.
- c. Provide copies of the source documents and calculations used to determine the IRP costs to be included in base rates in the latest HELCO rate case, Docket No. 05-0315.
- d. Provide actual annual incremental IRP costs for 1997 through 2007 to-date, by cost type, as incurred by HECO,

MECO and HELCO, in the format of MECO-WP-812, indicating the amounts recovered in base rates versus surcharge recovery in each year by each utility.

- e. Explain how the 3-year averaging methodology, if employed by each utility, can be expected to produce reasonable cost recovery levels relative to overall consolidated utility costs incurred under the present scheduling of IRP activity.
- f. Provide illustrative calculations supporting your response to part (e) of this information request, using the information provided in response to parts (a) through (d) of this information request.

CA-IR-412

**Ref: MECO Response to CA-IR-248, Attachment A (Outside Services IRP).**

Please provide the following information:

- a. A detailed itemization of EE=501 outside services charges incurred in 2005 totaling \$314,388, indicating the activities and purpose for work performed by each vendor.
- b. A detailed itemization of EE=501 outside services charges incurred in 2006 totaling \$110,468, indicating the activities and purpose for work performed by each vendor.
- c. Explain each known reason why actual 2006 outside services were less than the budgeted \$181,000 amount.

- d. Which of the vendor charges listed in your response to parts (a) and (b) of this information request are anticipated to be incurred in each future iteration of IRP planning?

CA-IR-413

**Ref: MECO Response to CA-IR-141 (Intercompany IRP charges).**

Please provide the following:

- a. A multi-year statement of actual incurred costs for forecasting and IRP related work, for each year 1998 through 2007 to-date, indicating how the total incurred costs by RA at HECO were distributed via intercompany charges among each of the operating companies (MECO, HECO and HELCO) in each year.
- b. Budget year 2007 expense data by HECO RA, in a format comparable to your response to part (a) of this information request, illustrating how total projected costs are to be distributed among operating companies for the test year.

CA-IR-414

**Ref: MECO Response to CA-IR-2 [MECO T-8] Attachment A (Non-labor expense details).**

Please provide the following:

- a. Monthly actual expenditures for all available months of 2007 to-date, for each of the 56 lines of detail shown in Attachment A.

- b. Explain each instance in your response to part (a) of this information request where actual year-to-date expenses are materially different from projected expenses.

CA-IR-415

**Ref: MECO Response to CA-IR-2 [MECO T-8] Attachment B, page 11 (PNG Marketing Support).**

Please provide the following:

- a. Explain the services provided by HECO in relation to the projected test year costs of approximately \$4,800 per month.
- b. Actual monthly charges for PNG marketing support for all available months of 2007 to-date.
- c. Explain the causes for any material variances between actual and projected PNG allocated marketing support costs to MECO.

CA-IR-416

**Ref: MECO Response to CA-IR-2 [MECO T-8] Attachment B, page 16 (IT Support).**

Please provide the following:

- a. Explain the services provided by HECO in relation to the projected test year costs of \$38,359.
- b. Actual monthly charges for IT support under WO CS000027 for all available months of 2007 to-date.

- c. Explain the causes for any material variances between actual and projected IT support allocated costs to MECO under this work order.

CA-IR-417

**Ref: MECO Response to CA-IR-2 [MECO T-8] Attachment B, lines 7-9, 11-13 and 16 (Mainland Travel).**

Please provide the following:

- a. Explain the business purpose and number of travelers associated with each projected mainland travel expenditure reflected in the test year forecast.
- b. Provide a descriptive history of mainland travel trips incurred by customer service personnel in each of the past three calendar years 2004 through 2006.
- c. Provide a detailed description of the PCEA & Expo event set forth at Attachment B, page 17, including copies of agenda/program materials associated with same.
- d. Actual monthly mainland travel expenditures to-date in 2007, compared to projected costs by item.
- e. Describe whether or not test year projected mainland travel is believed to be indicative of normal, ongoing levels of such activity and the reasons for such belief.



**Ref: MECO response to CA-IR-369 & MECO T-8 response to CA-IR-2 (Research & Development).**

In response to CA-IR-365, the Company provided revisions to the MECO T-9 response to CA-IR-2 by supplying corrected references to forecast support from MECO witnesses other than T-9. At page 6 of the response to CA-IR-369, the revisions include references to the response of MECO T-8 to CA-IR-2 for additional documentation supporting the 2007 T&D forecast. Please provide the following:

- a. Referring to the response of MECO T-8 to CA-IR-2, page 39 of Attachment B provides a monthly distribution of \$109,500, but does not show how that amount was determined nor contain references to additional supporting documentation. Please provide the following:
  1. Are there additional forecast workpapers supporting this amount? Please explain.
  2. If so, please provide a copy of such information.
  3. If not, please explain how this amount was determined to be appropriate.
- b. The "Details/Remarks" section of the referenced document indicates that this estimate represents MECO's direct costs associated with the study of one technical customer power related issue and possible installation. Please identify and describe the specific "issue" being referenced.

- c. The "2006 budget cycle" section of the referenced document indicates that the R&D project expenses include: HECO labor; EPRI overhead; non-TC R&D projects; and other miscellaneous in-kind expenses. Please provide a breakdown of the \$109,500 R&D forecast amount between each of these cost categories.
- d. Referring to part c. above, please explain why "HECO labor (ICBs)" costs are included in the \$109,500.
- e. Referring to part (c) above, please explain why "EPRI overhead" costs are included in the \$109,500.

CA-IR-419

**Ref: MECO response to CA-IR-369 & MECO T-8 response to CA-IR-2 (Research & Development).**

In response to CA-IR-365, the Company provided revisions to the MECO T-9 response to CA-IR-2 by supplying corrected references to forecast support from MECO witnesses other than T-9. At page 6 of the response to CA-IR-369, the revisions include references to the response of MECO T-8 to CA-IR-2 for additional documentation supporting the 2007 T&D forecast. Please provide the following information:

- a. Referring to the response of MECO T-8 to CA-IR-2, page 41 of Attachment B provides a monthly distribution of \$25,000, but does not show how that amount was determined nor

contain references to additional supporting documentation.

Please provide the following:

1. Are there additional forecast workpapers supporting this amount? Please explain.
  2. If yes, please provide a copy of such information.
  3. If no, please explain how this amount was determined to be appropriate.
- b. The "2006 budget cycle" section of the referenced document indicates that the R&D project expenses includes MECO's portion of EPRI Tailored Collaboration projects.
1. Please identify and describe the specific "projects" being referenced.
  2. Please provide a breakdown of the \$25,000 R&D forecast amount between each "project."

CA-IR-420

**Ref: MECO response to CA-IR-369 & MECO T-8 response to CA-IR-2 (Research & Development).**

In response to CA-IR-365, the Company provided revisions to the MECO T-9 response to CA-IR-2 by supplying corrected references to forecast support from MECO witnesses other than T-9. At page 6 of the response to CA-IR-369, the revisions include references to the response of MECO T-8 to CA-IR-2 for additional documentation supporting the 2007 T&D forecast. Please provide the following:

- a. Referring to the response of MECO T-8 to CA-IR-2, page 49 of Attachment B provides a monthly distribution of \$100,000, but does not show how that amount was determined nor contain references to additional supporting documentation. Please provide the following:
1. Are there additional forecast workpapers supporting this amount? Please explain.
  2. If so, please provide a copy of such information.
  3. If not, please explain how this amount was determined to be appropriate.
- b. The "2006 budget cycle" section of the referenced document indicates that the R&D project expenses includes MECO's portion of EPRI Tailored Collaboration projects.
1. Please identify and describe the specific "projects" being referenced.
  2. Please provide a breakdown of the \$100,000 R&D forecast amount between each "project."
- c. The "2006 budget cycle" section of the referenced document indicates that the R&D project expense includes intercompany billings (ICBs).
1. Please provide a breakdown of the \$100,000 R&D forecast showing the amount of each of type of cost, including the ICB allocation.

2. Please explain why ICB costs are included in the \$100,000.
- d. Unlike the discussion of the \$25,000 EPRI Tailored Collaboration projects discussed at Attachment B, page 41, the \$100,000 EPRI Tailored Collaboration projects at page 49 does not appear to recognize any EPRI matching funds. Are EPRI matching funds available? Please explain.

**Witness T-9 Mr. Matsunaga.**

CA-IR-421

**Ref: MECO-913 & MECO T-9 response to CA-IR-2 (Workers' Comp).**

Footnote N in the MECO T-9 June 2007 Update refers to a \$17,100 reduction in workers' compensation special fund assessments, which MECO T-9, page 46, describes as correcting a double counting error. The response to MECO T-9 to CA-IR-2, Attachment Q, provides support for the 2007 Workers' Compensation forecast (\$300,000 work comp fees and \$30,000 legal fees). Please provide the following:

- a. Please explain how MECO determined that the \$17,100 was included in the Workers' Compensation forecast and provide a copy of any supporting material.
- b. Please update the response to CA-IR-2, Attachment Q, to include 2006 actual information.

CA-IR-422

**Ref: MECO-913 & MECO T-9 response to CA-IR-2 (Workers' Comp).**

After calculating a five-year average of workers' compensation costs and related outside legal services (i.e., \$245,865 and \$38,411, respectively) on Attachment Q of MECO T-9 response to CA-IR-2, MECO determined that the 2007 forecast for these items should be \$300,000 and \$30,000 based on the following statement: "Take into consideration current cases which include probable PPD

awards, medical waiver settlement, anticipated legal fees and ongoing substantial medical expenses due to nature of injuries." The \$300,000 for workers' compensation is significantly higher than the \$201,414 and \$204,775 experienced in 2004 and 2005. Please provide the following:

- a. Please explain how the quoted items were considered in developing the 2007 test year forecast amount.
- b. Referring to the response to part (a) above, please provide all documentation supporting the higher 2007 test year forecast amount.
- c. Please explain how and whether the 2007 cases, settlements and injury expenses are materially different than historical levels.
- d. Referring to part c. above, please explain and describe whether and to what extent MECO anticipates that the 2007 activity is more representative of ongoing conditions than prior year actual activity.

CA-IR-423

**Ref: MECO-913 & MECO T-9 response to CA-IR-2 (Workers' Comp).**

Referring to the response of MECO T-9 to CA-IR-2, Attachment R (pages 36 and 37) provide forecast support for additional outside services associated with Workers' Compensation. Please provide the following:

- a. Please provide actual 2006 recorded amounts for both pages 36 and 37 of Attachment R.
- b. Referring to Attachment R, page 36, please explain how the \$7,200 was determined to be a reasonable ongoing forecast level, when limited actual expenditures have historically been incurred for this item other than calendar year 2003.
- c. Referring to Attachment R, page 37, please explain how the \$10,000 was determined to be a reasonable ongoing forecast level, when limited actual expenditures have historically been incurred for this item other than calendar year 2004.
- d. Referring to the response to parts (b) and (c) above, please provide a copy of any additional documentation or calculations supporting these forecast amounts.

CA-IR-424

**Ref: MECO T-9 response to CA-IR-2 (Charitable Donations).**

Referring to the response of MECO T-9 to CA-IR-2, it appears that Attachment R (pages 10 through 12) provide forecast support for various elements related to charitable activities (e.g., United Way, ACS Relay for Life, Adopt-a-Highway, March of Dimes, Hawaii Nature Center, Keola Awards Banquet, etc.). Please provide the following:



- a. According to the referenced budget workpapers, the forecast amounts for these items were to be charged to Account 426. Please explain the basis for MECO's inclusion of these costs in Account 930.2 (see CA-IR-2, Attachment A, page 6, rows 199-201) instead of Account 426 for the 2007 test year.
- b. Please confirm that MECO has not proposed to remove the \$6,500 related to these items from the test year forecast. If this cannot be confirmed, please explain.
- c. Other than these items, has MECO proposed to include any other dues, donations or other support for charitable organizations, events or community groups in test year expense? If so, please provide a detailed listing of such amounts by NARUC account with specific references to the supporting workpaper documentation.
- d. Please explain and describe the basis relied upon by MECO to seek recovery of such amounts from ratepayers.

CA-IR-425

**Ref: MECO-909, CA-IR-374 & MECO T-9 response to CA-IR-2 (Outside Services - Legal).**

Referring to the response of MECO T-9 to CA-IR-2, it appears that Attachment R (page 14) provides forecast support for Activity 765 on MECO-909. However, page 14 of Attachment R shows relatively no expenses for this activity in prior years and refers to

the \$10,000 as an "unpredictable expense item." Please provide the following:

- a. Please explain how the \$10,000 was determined to be a reasonable ongoing forecast level, when virtually no actual expenditures have historically been incurred for this item.
- b. Please identify the specific legal activities associated with this cost estimate.

CA-IR-426

**Ref: MECO T-9 response to CA-IR-2 (Training).**

Referring to the response of MECO T-9 to CA-IR-2, Attachment R (pages 15 and 16) provides forecast support for certain training activity but shows relatively no expenses for this activity in prior years, except for 2005. Please provide the following:

- a. Please update the response to CA-IR-2, Attachment R (pages 15 and 16), to include 2006 actual information.
- b. Please explain the basis for determining that \$17,355 represents a reasonable ongoing forecast level, when virtually no actual expenditures have historically been incurred for similar training.

CA-IR-427

**Ref: MECO T-9 response to CA-IR-2 (Security).**

Referring to the response of MECO T-9 to CA-IR-2, Attachment R (pages 52 and 54) provides forecast support for certain security

related costs (i.e., continuation of core and lock change out) in the amounts of \$5,000 and \$15,000 respectively. Please provide the following:

- a. Please describe the core and lock change out project, indicating start and completion dates.
- b. Please update the response to CA-IR-2, Attachment R (pages 52 and 54), to include 2006 actual information.
- c. Please explain the basis for determining that these amounts represent reasonable ongoing forecast levels.

CA-IR-428

**Ref: MECO-918 & response to CA-IR-156 (Research & Development).**

The MECO-918 identifies the \$42,635 in 2005 as a coding error that should have been in Account 923030. Please confirm that this amount was actually charged to Account 9302, but does not represent R&D costs includable in Account 9302. If this cannot be confirmed, please explain.

CA-IR-429

**Ref: MECO response to CA-IR-365 (Research & Development).**

In response to CA-IR-365, MECO provided actual 2007 R&D expenditures by month. Compared to MECO's 2007 test year forecast of \$255,379 for non-EPRI R&D, the Company had incurred only \$431 through July, 2007. Please provide the following:

- a. Does MECO still plan on spending the entire \$255,379 (less \$481) during the remainder of 2007? Please explain.
- b. If the response to part (a) above is affirmative, please describe MECO's plans to achieve that expenditure level during the last five months of 2007.
- c. During 2007, was MECO under any directive or other conditions that constrained the Company's ability to spend the committed funds on non-EPRI R&D projects? Please explain.
- d. If the response to part (c) above is negative, please explain the absence of any material non-EPRI R&D expenditures through July 2007.

CA-IR-430

**Ref: MECO T-9, page 104, & response to CA-IR-162 (Pension Asset).**

Part (b) of CA-IR-162 referred to the testimony of MECO T-9, page 104, and asked whether the Company prepared or caused to be prepared any calculations of overall revenue requirement in calendar years 2000 through 2006. In response, the Company indicated that the cited testimony was not based on any specific calculations of overall revenue requirements. Please provide the following:

- a. Did MECO prepare or cause to be prepared any calculations of overall revenue requirement in calendar years 2000 through 2006?
- b. If the response to part (a) above is affirmative, please provide a copy thereof.

CA-IR-431

**Ref: MECO responses to CA-IR-171 & CA-IR-259 (Pension Asset).**

In response to part (a) of CA-IR-259, MECO indicated that the intent of its response to part (c) of CA-IR-171 was not to indicate improper Commission action: "Rather, the intent of MECO's response to part c of CA-IR-171 is to indicate that there may be instances where certain revenues, expenses and/or rate base items are excluded from the test year and thus are not considered in the establishment of the utility's rates in a rate case proceeding, and the recovery of such costs are considered outside of a rate case proceeding. The Commission also establishes certain utility rates outside of rate case proceedings." Please provide the following:

- a. Please identify all "instances" known to MECO where the Commission has specifically excluded certain revenues, expenses and/or rate base items from a MECO rate proceeding such that recovery of such costs were considered outside of a rate proceeding.
  1. Please describe each item identified.

2. Please identify the docket number and decision number associated with each identified item.
- b. Please identify all "instances" known to MECO where the Commission has specifically established utility rates for MECO outside a rate case proceeding.
  1. Please describe each item identified.
  2. Please identify the docket number and decision number associated with each identified item.

CA-IR-432

**Ref: MECO Response to CA-IR-2, MECO T-9, Attachment R, RA=MSC (Customer Relations Expenditures).**

Please provide the following:

- a. At page 56, Attachment R references t-shirts, giveaways, games, gifts and a Lahaina event. Explain whether and why these materials are believed to be necessary in the provision of public utility services and describe why increased spending for such items is proposed for the test year.
- b. At pages 57, 60, 61, 62, and 66-69, Attachment R references science fair prizes, pencils, giveaways, cooking class supplies, festival fees and various other school program materials. Explain whether and why these materials and expenditures are believed to be necessary in the provision of public utility services and describe why

increased spending for such items is proposed for the test year.

- c. At pages 58, 64 and 65, Attachment R references t-shirts, fairs, rodeo, kid's day and other event sponsorships. Explain whether and why these expenditures are believed to be necessary in the provision of public utility services and describe why increased spending for such items is proposed for the test year, relative to prior years.
- d. At pages 59 and 63, Attachment R references senior citizen fair giveaways and bags. Explain whether and why these materials are believed to be necessary in the provision of public utility services and describe why increased spending for such items is proposed for the test year.
- e. For each of the expense categories set forth in Attachment R at pages 56 through 69, please provide actual monthly expense amounts for 2006 and 2007 to-date.

CA-IR-433

**Ref: MECO Response to CA-IR-2, MECO T-9, Attachment R, RA=MSC, pages 70 and 71 (Print and Radio Advertising).**

Please provide the following:

- a. Copies and scripts of the print and radio advertisements actually published/aired by MECO to-date in 2007.

- b. Explain why increased spending on advertising was projected for the test year, relative to prior years' actual spending.
- c. Provide a monthly breakdown of actual monthly 2006 and 2007 advertising expenditures by message and media.
- d. Explain and reconcile any significant differences between projected and actual 2007 to-date advertising spending levels.

CA-IR-434

**Ref: MECO Response to CA-IR-2, MECO T-9, Attachment R, RA=PSM, page 73 (RSAT Survey Billables).**

Please provide the following:

- a. Explain the purpose of the referenced RSAT Survey and provide specimen work product resulting from such efforts.
- b. Monthly actual expenditures in 2006 and 2007 to-date for RSAT Survey Billables.
- c. Explain any significant differences between actual and planned test year levels of activity regarding RSAT Survey work.

CA-IR-435

**Ref: MECO-918 and responses to CA-IR-368, CA-IR-365 & CA-IR-369 (Research & Development).**

CA-IR-368 specifically related to the Green Pricing Program and Sun Power for Schools R&D projects, rather than R&D in general.



In response to part (d) of CA-IR-368, the Company referenced \$81,000 incurred (after EPRI reimbursements) during 2004 and 2005 for the Lanai High and Elementary School BIPV project. Then, the response states: "The costs for this project were charged to Account No. 9302L and were not included in MECO-918, which presents Research and Development expense for Maui Division only." Please provide the following:

- a. Please provide a pinpoint reference to each and every designation on MECO-918 or any disclosure by MECO T-9 stating or indicating that MECO-918 does not depict total MECO R&D information, instead representing only R&D for the Maui Division.
- b. Please update MECO-918 (as corrected by the response to CA-IR-265) to separately provide comparable R&D cost information for each division and total MECO, by project.
- c. In response to CA-IR-365, Attachment A provided a comparison of actual monthly expenditures in 2007 with the 2007 test year forecast, by NARUC account. Please update Attachment A to separately provide comparable R&D cost information for each division and total MECO, by project.
- d. In response to CA-IR-365, Attachment B provided a description of each program identified on Attachment A, as well as two additional programs. Please update

Attachment B to include a description for any new or additional R&D programs identified in response to part (c) above.

- e. In response to CA-IR-369, MECO revised Attachment A of CA-IR-2 as originally provided by MECO T-9 to correct certain references to supporting forecast documentation of other witnesses. Referring to page 6 of CA-IR-369, the six line items for Activity 731 (R&D) total \$255,379, which ties to the total non-EPRI R&D forecast set forth on MECO-918.

Please provide the following:

1. If MECO-918 only represents the Maui Division, does the response to CA-IR-369 also only pertain to the Maui Division, not total MECO as implied by the NARUC accounts with "L" and "M" designations? Please explain.
2. If the response to part (e)1. above is affirmative, please revise the response to CA-IR-369 to reflect all divisions included in the total MECO forecast.

CA-IR-436

**Ref: MECO response CA-IR-351 (T&D Non Labor Outside Services).**

CA-IR-351 referred to Item 112 (CA-IR-2, Attachment 5, page 3) identified as DK RO Maui Dist Line UG Corrective Exp O/S in the amount of \$105,000. In response to CA-IR-351, the Company

referred to the trend of cable fault occurrences shown on MECO-609 and indicated that the Company had determined that it was cost effective to use outside contractors for sidewalk repairs.

Please provide the following:

- a. Please update MECO-609 to reflect actual cable faults through August 2007, or September 2007 if the data is readily available.
- b. Referring to part (a) above, please provide the actual number of cable faults that required sidewalk repairs.

CA-IR-437

**Ref: MECO response to CA-IR-372 (Ho' omaika' i Costs).**

In response to part (d) of CA-IR-372, the Company indicated that the Ho' omaika' i Awards Banquet and the Process Area Team Awards "do not involve any form of monetary compensation to individual employees." However, the information contained in Attachment A specifies gifts ranging from \$50-\$100 or cash awards from \$500-\$1,000. Further, Attachment C of the MECO T-9 response to CA-IR-2 indicates that about half of the forecast amount is comprised of such awards. Please provide the following:

- a. Please explain how MECO reached the conclusion that these awards to not represent a form of monetary compensation.

- b. Referring to Attachment C of the MECO T-9 response to CA-IR-2, please state whether the following forecast awards represent cash, gifts or some other award (specify type of award) presented to individual employees:
1. Process Team Awards - \$29,450.
  2. Special Recognition Awards - \$5,000.

CA-IR-438

**Ref: MECO response to CA-IR-372 (Ho' omaika' i Costs).**

In response to part (e) of CA-IR-372, the Company provided the amount of Ho' omaika' i Awards Banquet and the Process Area Team Awards incurred in program years 2004 (\$5,381), 2005 (\$52,063) and 2006 (\$0). Excluding the Ho' okina Awards, which were eliminated by MECO T-9 in the June 2007 Update (due to termination of the program), MECO has proposed to include \$56,800 in the 2007 test year forecast for the Ho' omaika' i Awards Banquet and the Process Area Team Awards. Please provide the following:

- a. Please explain the distinction between program year and calendar year as applied in the response to CA-IR-372, part (e).
- b. The \$56,800 forecast amount appears excessive in the context of the three years of actual data identified above. Please provide the following:

1. Did MECO suspend the Ho' omaika' i Awards Banquet in both 2004 and 2006, as no costs were identified for these years? Please explain.
2. If the response to part (b)1. above is affirmative, why was the awards banquet suspended in 2004 and 2006? Please explain.
3. In 2004 and 2006, the Company identified only \$5,381 and \$0, respectively, for Process Area Team Awards. Why were the Process Team Awards of such limited amounts in 2004 and 2006? Please explain.

CA-IR-439

**Ref: MECO responses to CA-IR-370 & CA-IR-346 (Vehicles).**

Attachment 1 to the response to CA-IR-370 provided a calculation of vehicle on-cost rates. Part (c) of the referenced response indicated that use of incorrect vehicle on-cost rates understated the Company's 2007 test year forecast by \$202,000. Please provide the following:

- a. Please provide the following cost pool information:
  1. Additional forecast detail showing the types of costs and underlying calculations supporting the \$2,717,000 amount for the vehicle cost pool.
  2. Comparable actual cost pool amounts for 2006.

- b. Please identify the number and type of vehicles associated with each vehicle category (heavy, medium, etc.) in 2006 (actual) and 2007 (forecast).
- c. For each vehicle category, please provide the actual vehicle operating hours for 2006.
- d. For each vehicle category, please confirm that the vehicle on-costs are distributed between expense, capital and billable work in the normal course of business based on the relative vehicle use. If this cannot be confirmed, please explain.
- e. Referring to part (d) above, please provide the allocation to O&M accounts for each vehicle category in the following periods:
  - 1. 2006 actual.
  - 2. 2007 test year forecast.
- f. Does MECO intend to include the additional \$202,000 of vehicle costs in the test year forecast? Please explain. I

CA-IR-440

**Ref: MECO responses to CA-IR-370 & CA-IR-346 (Vehicles).**

In response to part (a) of CA-IR-346, the Company indicated that the light vehicle category was comprised of two 2000 GMC pick-up trucks. Referring to Attachment 1 to the response to CA-IR-370, section C2 indicates that the 2007 budget operating hours for the

light vehicle category was 194,000 hours. Please provide the following:

- a. Based on this information, each of the pick-up trucks would operate an average of 97,000 hours (194,000 hours divided by 2) per year, or over 4,000 calendar days (97,000 hours divided by 24) in a year. Please explain and reconcile this discrepancy, providing any revised calculations.
- b. Referring to part (a) above, please review the operating hours per vehicle in each of the other vehicle categories, indicating whether any revisions are necessary.

**Witness T-10 Ms. Price.**

CA-IR-441

**Ref: MECO T-10 June Update, Exhibit 3, page 2 (Life Credits).**

The spreadsheet file ("MECO2007\_335 RC May07\_082107.xls") supporting the \$90,229 life credit estimate is based on unit rates of \$14.69 (Merit), \$9.78 (BU) and \$5.13 (Exec) for each of the 24 pay periods. According to Section 10 of the bargaining agreement (MECO-WP-1053, page 18), the flex credits for group life is based on an amount equal to the premium for coverage of 1½ times annual base pay for each employee. Please provide the following:

- a. Does the bargaining unit group life flex credit valuation (i.e., equal to the premium for coverage of 1½ times annual base pay for each employee) also apply to Merit and Exec employees? Please explain.
- b. The flex credits noted above are input values into the referenced spreadsheet file. Does the Company's workpapers or exhibits show how these flex prices were determined?
  1. If yes, please provide a pinpoint reference to documentation showing such calculations.
  2. If no, please provide additional documentation showing how these flex credits were quantified.
- c. Using BU as an example (MECO T-10 June 2007 Update, Exhibit 3, page 6), it would seem that the group life flex



credit would be about \$9.50 per employee per pay period (\$4,356 annual premium for 1-1/2 annual comp divided by 24 pay periods divided by 19.1 projected participation), not \$9.78. Please explain why the BU flex credit would be something other than \$9.50 and show all calculations.

- d. Referring to the response to part (c) above, please provide a similar explanation regarding the group life flex credits for both Merit and Exec employees.

**Witness T-13 Mr. Okada.**

CA-IR-442

**Ref: MECO Response to CA-IR-376, page 2 (HEI Interest Allocation).**

Please provide the following:

- a. Explain why HEI interest is allocated to MECO for calculation of DPAD, but not for determination of the MECO revenue requirement.
- b. Provide an updated calculation of Interest Expense for use in Income Tax Calculation in the format of MECO-WP-1302 using the Company's asserted cost of capital assumptions and updated capital expenditures, AFUDC and capital structure projections, as applicable.
- c. Provide an updated calculation of Interest Expense for use in Income Tax Calculation if HEI interest were allocated for ratemaking purposes using the same methods as for calculation of DPAD on the company's 2006 tax return.

**Witness T-18 Mr. Young.**

CA-IR-443

**Ref: MECO Schedule F Tariff Terms (Unmetered Lighting Service).**

Please provide the following:

- a. Explain why standard service for Maui and Lanai after May 1976 (but not Molokai as to-date) is un-metered service and describe where and to what extent metered service remains in effect.
- b. What are the perceived advantages and disadvantages of converting all lighting to unmetered service, so as to avoid meter reading and billing complexity and expense and to *simplify tariffs*?
- c. Describe the procedures used to track and install fixtures on each account and provide a summary of such data for the test year.
- d. Are fixture counts maintained and applied to all customer accounts, including metered and unmetered service?
- e. Provide a proof of revenues for the test year proposed "Fixture Charge" amounts, indicating the source data for quantities employed.
- f. State where fixture revenue is recorded on the books (by NARUC Account) and in the rate case filing.

- g. Explain the basis for each of the unit "fixture charge" amounts in the tariff and provide copies of cost studies relied upon for same.
- h. State all reasons why no changes are proposed in the fixture charge amounts and provide copies of all information relied upon to conclude that current pricing is reasonable.
- i. Explain the basis for the 340 hours per month dusk to dawn usage assumption.
- j. Please explain the rationale for Schedule F energy charges that decline at higher load factors relevant to a lighting rate where unmetered energy is billed based upon a fixed 340 hour/month load factor assumption?

CA-IR-444

**Ref: MECO-WP-302, page 1 (Schedule R Base Energy Rate).**

MECO rate Schedule R has a separate pricing element for "Base Fuel", while the other rate schedules roll this cost into the basic energy rate. Please provide the following:

- a. Explain why Schedule R contains this separately stated base fuel element that is not set forth in other rates, indicating each of the administrative or other purposes served by this element.

- b. For what reasons should Schedule R not be simplified by rolling in the base fuel cost as part of the tiered energy rates?
- c. State whether the proposed rate for Maui Schedule R is 4.5937 shown in the Proposed Rates Unit Price column or the 17.9992 rate shown in the proposed tariff.

CA-IR-445

**Ref: MECO Response to CA-IR-384 (Customer Service Cost Differentials by Island).**

Please provide the following:

- a. The response provided to CA-IR-384, part (a) cites the results of cost allocations by island, but does not explain "all known reasons why" such costs are vastly different by island. Please supplement your response as necessary to fully explain these differentials.
- b. Should any revisions be made to inter-island allocations of customer service expenses in order to more accurately determine unit customer costs by rate class on each island?
- c. If your response to part (b) of this information request is affirmative, please identify and quantify each adjustment that should be made.

CA-IR-446

**Ref: MECO Response to CA-IR-193, part c (Schedule R LIHEAP).**

According to the response, MECO intends to bill LIHEAP participants at only the initial block of proposed Schedule R. Please provide the following:

- a. Calculations of the anticipated revenue impact of this proposal.
- b. State whether the revenue effects set forth in your response to part (a) of this information request have been included in test year revenues at proposed rates or cost of service exhibits filed by MECO and, if so, identify where such amounts are included.

CA-IR-447

**Ref: MECO Response to CA-IR-263, part d (Master Metering Conservation Effects).**

Please provide the following:

- a. State and explain whether Mr. Young or MECO believe that residential customers' ability to realize economic benefits from conservation efforts would be enhanced by discontinuation of master metering within residential developments.
- b. Does MECO object to precluding the establishment of new master metered residential service on rate Schedules G, J and P to ensure that residential customers can control their

energy costs through conservation and utilization of inclining block rates under Schedule R?

- c. Please provide complete copies of all studies, reports, analyses, workpapers and other information relied upon in your response to part (b) of this information request.

CA-IR-448

**Ref: MECO Responses to CA-IR-263, part a; CA-IR-262, part c (Master Versus Individual Metering).**

Please provide the following:

- a. CA-IR-263, part (a) indicates that only 37 master metered multi-family MECO accounts are believed to exist on Schedules J, H and P. Does MECO have any information regarding the number of Schedule R accounts that exist within multi-family structures at a single street address?
- b. If your response to part (a) is affirmative, please provide the most detailed available statistical data indicative of the numbers of individual Schedule R meters that are aggregated within single street addresses.

CA-IR-449

**Ref: MECO Response to CA-IR-268, Load Study Attachments (Derivation of NCCD).**

Please provide the following:

- a. For Rate Schedules J, H, P and F, explain whether the kwh/kw input values used to derive NCCD factors were

determined by voltage level from information in the load study documentation for each island, as input into cost of service calculations.

- b. If the Schedules J, H, P and F kwh/kw input values were derived from "Recorded" data, as indicated in CA-IR-270 at pages 2, 5 and 8, please provide reference into T-3 workpapers where such data can be observed from test year billing determinants.
- c. Complete copies of all additional documentation and calculations, beyond the provided load study reports and T-3 workpapers that are required to develop Load Factor kwh/kw inputs (MECO-WP-1802, pages 6, 95 and 184; column B) used to develop Non-coincident Customer Demand by customer class and voltage.
- d. If any adjustments or corrections are required to the kwh/kw input values, please provide supporting calculations for all such corrected values.

CA-IR-450

**Ref: MECO-1813 (Marginal Energy Cost Trends).**

Please provide the following:

- a. Explain each of the reasons why the projected marginal energy costs for all periods are projected to decline



significantly after 2007 and continue to decline more gradually after 2008.

- b. What are the input fuel price assumptions used in each period shown?
- c. Are any of the Company's rate proposals based upon the marginal energy costs shown in MECO-1813?
- d. If your response to part (c) of this information request is affirmative, please explain how such rate proposals would be impacted by an alternative assumption of increasing future marginal energy costs.

CA-IR-451

**Ref: MECO Response to CA-IR-270, pages 89-91; MECO-WP-1802, pages 19-20, 107-108, 197-198 (Customer Accounts/Customer Service Weighting Ratios).**

Please provide the following:

- a. Explain the studies that were conducted to derive the weighting factors applied to customer count statistics in development of MECO's proposed class allocation factors C6 (Cust Acct) and C8 (Cust Servc) for each island.
- b. To what extent did the Company rely upon study results from the 1999 test year rate case for the C6 and C8 factor customer weighting values?

- c. Provide copies of documentation associated with your response to part (a) of this information request for each island.

**Witness T-19 Mr. Hee.**

CA-IR-452

**Ref: MECO Response to CA-IR-198 (Manele Bay CHP).**

Please provide the following:

- a. Amounts of any non-fuel expenses or rate base investment amounts included in test year projections for Manele Bay CHP.
- b. State whether adjustments are required to remove the amounts stated in your response to part (a) of this information request, given current expectations regarding earliest likely commercial operation of the unit if approved by the Commission.

CA-IR-453

**Ref: MECO-1908, line 18.**

MECO-1908, line 18, indicates an Efficiency Factor of 0.010648.

Please explain how the Efficiency Factor shown on line 18 was calculated and provide supporting workpapers or other sources from which this factor was derived.

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **DIVISION OF CONSUMER ADVOCACY'S SIXTH SUBMISSION OF INFORMATION REQUESTS** was duly served upon the following parties, by personal service, hand delivery, and/or U.S. mail, postage prepaid, and properly addressed pursuant to HAR § 6-61-21(d).

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PRESIDENT  
MAUI ELECTRIC COMPANY, LIMITED  
P. O. Box 541  
Honolulu, Hawaii 96733-6898

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by U.S. mail

DEAN K. MATSUURA  
DIRECTOR - REGULATORY AFFAIRS  
HAWAIIAN ELECTRIC COMPANY, INC.  
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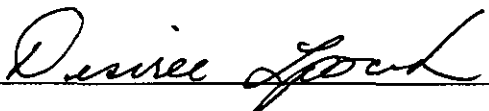
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Counsel for Maui Electric Company, Limited

DATED: Honolulu, Hawaii, September 28, 2007.

  
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